

Re: S.B. No. 884 (COMM) AN ACT REDUCING TRANSPORTATION-RELATED CARBON EMISSIONS

MTAC Opposes

Co-Chair Cohen, Co-Chair Gresko, Ranking Member Miner, Ranking Member Harding, and members of the Environment Committee, thank you for the opportunity to present this testimony. My name is Joe Sculley, I am the president of the Motor Transport Association of Connecticut (MTAC), which is a statewide trade association representing small business trucking companies.

MTAC opposes the Transportation and Climate Initiative (TCI) for the following reasons:

- Transportation-related carbon emissions are being reduced, and will continue to be reduced, without TCI....and TCI acknowledges this
 - TCI modeling states that the region will achieve a 19% reduction of emissions in the same ten year period, even if TCI is not implemented at all, due to federal fuel efficiency and emissions standards
 - Therefore, the claim that TCI will result in a 26% reduction of emissions due to the initiative is overstated. $26-19 = 7\%$, would be much more reasonable claim
- The financial impact to consumers is being understated
 - On Dec 17, 2019, and Sep 16, 2020, TCI said that in order to see a 25% emissions reduction under the program, consumers could expect a 17 cent/gallon increase in the price of gas in year one. (A 22% reduction would equate to 9 cent/gallon increase; a 20% reduction would equate to a 5 cent/gallon increase)
 - Now that the MOU has been signed, the Lamont administration is claiming that a 26% emissions reduction under TCI will happen with only a 5 cent/gallon increase in year one
- It will function like a third state-imposed gas tax, in addition to our existing fixed per-gallon excise taxes, and the Petroleum Gross Receipts Tax (PGRT)
- 9 out of the original 13 TCI state declined to sign the MOU, including the Vice Chairman of the group, Gov Larry Hogan of Maryland
- Decisions that will raise the cost of fuel will be made by a new interstate bureaucracy, comprised of unelected officials

4. PROGRAM ADMINISTRATION AND REVIEW

A. Administrative Organization. The Signatory Jurisdictions will establish an Administrative Organization to provide administrative support and technical assistance to TCI-P participating jurisdictions. The Administrative Organization shall have no authority to adopt, implement, or enforce the requirements of any TCI-P participating jurisdiction's individual program. The Administrative Organization will be funded by TCI-P participating jurisdictions proportionally to their budgets subject to applicable appropriations processes.



- TCI is designed to incentivize (force) people to drive electric vehicles
 - TCI admits that this will increase electricity emissions, and that those emissions will occur outside of the TCI area, in “states without robust clean energy programs”
 - If the Connecticut government is willing to simply disregard this point, that would be quite an abrupt about face from [Connecticut’s long-standing contention](#) that out-of-state emissions blowing into Connecticut are the cause of our air quality problems.
- The trucking industry has already reduced emissions, and continues to reduce emissions, as detailed below.
- Based on the recent pledges of global automakers, it would appear that a program designed to push everyone to drive electric cars is completely unnecessary
 - [Volvo to go fully electric by 2030 - CNN](#)
 - [GM to go all-electric by 2035, phase out gas and diesel engines \(nbcnews.com\)](#)
 - [Jaguar car brand to be all-electric by 2025 - BBC News](#)
 - [Ford Goes 'All In' on Electric Cars With \\$11 Billion Investment | IndustryWeek](#)
- This is an unsustainable funding proposal
 - Once everyone is driving electric vehicles and no one is buying fuel, there will be no revenue to continue funding the things TCI is supposed to fund. More taxes will be needed

The trucking industry does not object to paying taxes and fees, as long as they are equitably assessed, and the revenue generated will be spent on the highways, roads, and bridges that the industry needs to do its work. Unfortunately, that is not where revenue generated from TCI will be spent. That fact, plus the industry’s strong environmental record over the last 20+ years, leads us to oppose TCI.

TRUCKING INDUSTRY’S EMISSIONS REDUCTION PROGRESS

(all figures are per US EPA)

Year: 2002

Mandate/Technology: Exhaust Gas Recirculation (EGR)

Environmental Benefit: **50% NOx emissions reduction**

Cost to Industry: **\$250 million annually**

Year: 2006 – 2010

Mandate/Technology: Ultra Low Sulfur Diesel (ULSD)

Environmental Benefit: **97% reduction of sulfur in diesel**

Cost to Industry: **\$4 billion annually (in combination with PM/NOx limits)**

Year: 2007 – 2010

Mandate/Technology: US EPA PM and NOx limits; Diesel Particulate Filters (DPFs)

Environmental Benefit: **90% reduction of Particulate Matter (PM) “soot”**
90% reduction of NOx

Cost to Industry: \$4 billion annually (in combination with ULSD)

Year: 2014

Mandate/Technology: US EPA/NHTSA “Phase 1” Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles

Environmental Benefit: 23% reduction of CO2 emissions

Cost to Industry: \$8 billion

Year: 2021, 2024, 2027

Mandate/Technology: US EPA/NHTSA “Phase 2” Greenhouse Gas Emissions Standards and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles

Environmental Benefit: additional 34 percent reduction of CO2 emissions

Cost to Industry: \$20 - \$30 billion

NOTE:

The Cleaner Trucks Initiative (CTI), which will further reduce NOx emissions, is under development by US EPA and expected to be finalized under the new Administration.

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ABOUT CT TRUCKING INDUSTRY:

85.8%: number of Connecticut communities that depend exclusively on trucks to move their goods

98%: percent of manufactured tonnage transported by truck in Connecticut

\$3.4 billion: total trucking industry wages paid in Connecticut (2018)

61,590: trucking industry jobs in Connecticut (2018)

\$55,777: average annual salary in Connecticut (2018)

\$9,026: average annual CT-imposed highway user fees paid by tractor trailers (as of 1/1/2020)

\$8,906: average annual fed-imposed highway user fees paid by tractor trailers (as of 1/1/2020)